

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Re: Notice of US LEC Corp. of "Bona Fide )  
Request" for an Interconnection Agreement )  
with TDS Local Exchange Carriers Pursuant )  
to 47 U.S.C. § 251 )

RECEIVED IN  
REGULATORY AUTH.  
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OFFICE OF THE  
EXECUTIVE SECRETARY

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**RESPONSE OF US LEC CORP. TO DATA REQUEST OF CONCORD TELEPHONE  
EXCHANGE, INC., HUMPHREYS COUNTY TELEPHONE COMPANY, TENNESSEE  
TELEPHONE COMPANY AND TELICO TELEPHONE COMPANY, INC.**

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US LEC Corp. ("US LEC") hereby is providing its response to the Data Requests and Document Requests of Concord Telephone Exchange, Inc., Humphreys County Telephone Company, Tennessee Telephone Company and Tellico Company, Inc. as requested by the Pre-Hearing Officer in the Authority's Order dated April 11, 2002.

**DOCUMENT REQUESTS**

1. Please provide any and all business plans, network diagrams/plans, demand forecasts, projected figures, spreadsheets, documents, assumptions and rational, and/or econometric models related to US LEC's request for interconnection with TDS Telecom and/or referred to in responding to the above data requests.

**ANSWER:** No such documents exist.

2. Please provide copies of the financial statements (income, balance sheets, cash flow) for US LEC past five years.

**ANSWER:** See Response to Data Request 9.

**DATA REQUESTS**

1. Please describe by exchange the local exchange services, including both basic and advanced, that US LEC intends to provide in TDS TELECOM'S service area(s) distinguishing

between business and residential services. For each such service and exchange identified, please indicate US LEC's proposed pricing and the date by which US LEC intends to offer the service.

**ANSWER:** All Local Services and pricing are provided under US LEC of Tennessee's tariffs last amended January 25, 2002 and on file at the TRA. Service is provided to the customer premise via a minimum T-1 special access facility ordered out of TDS companies' Interstate Special Access tariff to customer locations served out of the switches identified in response to Data Request No. 3. The tentative date service will be offered as either: a) 30 days after the approval of the Agreement by the TRA (if such approval is necessary), or (2) the date by which TDS can provide the services identified in the Agreement.

2. Please state by exchange whether US LEC intends to maintain the existing EAS calling areas for any customers it proposes to provide local service to in TDS TELECOM'S service territory. If not, please describe by exchange the EAS calling areas US LEC intends to offer in TDS TELECOM'S service territory.

**ANSWER:** US LEC maintains the EAS calling scopes of the incumbent local exchange carrier in each of the areas in which it provides service. In Tennessee, US LEC recognizes and provides countywide calling as required by T.C.A. § 65-21-114.

3. Please state whether US LEC currently has or plans to install a switch or switches in TDS TELECOM's exchanges or in other locations in Tennessee outside of TDS TELECOM's exchanges. In answering, please provide the location, number, type, and cut over dates.

**ANSWER:** US LEC currently has Lucent 5ESS switches operating in the Memphis, Nashville, Knoxville, and Chattanooga. The switch identities and addresses are:

Memphis, 6625 Lenox Park Drive, Suite 108, Memphis	MMPJTNJUDS0
Nashville, 105 Westwood Place, Suite 100, Brentwood	BRWDTNDDDS0
Knoxville, 800 Gay Street, P315, Knoxville	KNVLTN02DS0
Chattanooga, Two Union Square, Suite 200, Chattanooga	CHTGTN12XZX

There are no plans at this time to install additional switches in Tennessee.

4. Please state whether US LEC intends to file for Eligible Telecommunications Carrier ("ETC") status within the service area(s) of TDS TELECOM. If the answer is yes, please state within what time frame and in which exchanges US LEC will seek ETC designation.

**ANSWER:** US LEC does not plan to file for Eligible Telecommunications Carrier status at this time.

5. For each exchange served by TDS TELECOM in Tennessee, please provide a detailed five year plan as to how many access lines (distinguish as to business versus residential lines) US LEC expects to obtain from competing in TDS TELECOM's exchanges on a facility based basis and on a resale basis.

**ANSWER:** No US LEC forecast has been developed at this time. However, based on US LEC's current operations, no residential access lines and no resale lines will be activated. A business line forecast should be available for exchange at the time of Agreement execution.

6. Please state whether and when US LEC plans to have a business office or payment center in each of the following locations: Waynesboro, Tennessee; Parsons, Tennessee; New Johnsonville, Tennessee; and Englewood, Tennessee. If US LEC does not plan to have an office in each of these cities, please provide the location of the US LEC business office or payment center that will be nearest to each of these cities and when it will be open for use by customers.

**ANSWER:** This question is not relevant to any issue in this proceeding nor is the answer likely to lead to the discovery of any relevant evidence. Without waiving that objection, US LEC notes that it does not currently have payment centers in any areas of Tennessee where US LEC operates, nor is US LEC required to have payment centers in order to provide service in Tennessee.

7. Please state whether and when US LEC plans to have installation and repair technicians located in each of the TDS TELECOM exchanges. If the answer is no, then for each TDS TELECOM exchange, please list the anticipated permanent location of the nearest US LEC technician(s) to those exchanges and when it will be operational.

**ANSWER:** This question is not relevant to any issue in this proceeding nor is the answer likely to lead to the discovery of any relevant evidence. Without waiving that objection, US LEC does not intend to, nor is it required to, have installation and repair employees in TDS territory. The responsibility for the installation and repair of the T-1 facilities in TDS territories is entirely a TDS responsibility under the guidelines of interstate special service access ordering and provisioning. US LEC does have technicians located at each of the locations identified in Data Request No. 3 that assist customers in installation and repair issues.

8. Please state whether US LEC is willing to post a bond for or otherwise reimburse for all costs incurred by TDS TELECOM to process the interconnection request if US LEC's request is subsequently withdrawn or the business is not pursued by US LEC. If not, please state how US LEC proposes TDS TELECOM will recover those costs.

**ANSWER:** US LEC is not willing, not obligated, nor is it inclined to post a bond in order to allow TDS to recover costs associated with providing services required of telecommunications providers by the Telecommunications Act of 1996.

9. Please provide US LEC's Earning Estimates for year-end 2002 and 2003 and indicate the year/quarter US LEC anticipates being EBITDA positive.

**ANSWER:** This question is not relevant to any issue in this proceeding nor is the answer likely to lead to the discovery of any relevant evidence. To the extent TDS is concerned whether or not US LEC has the financial, managerial, and technical capabilities to offer service in Tennessee, the TRA has already ruled that US LEC has those capabilities.

10. Please identify US LEC's projected costs to construct and operate its network in each exchange in TDS TELECOM's service area and when US LEC expects to incur each of those costs. Please identify available capital and funding sources that will be accessed to fund this project.

**ANSWER:** See Response to Data Request No. 9.

11. Please state the number of employees currently employed by US LEC and identify how many of these employees reside in the state of Tennessee. Please indicate the projected number of employees, if any, US LEC will add as a result of interconnection with TDS TELECOM and state where these additional employees will be located.

**ANSWER:** See Response to Data Request No. 9.

12. Please list all entities regardless of location with which US LEC has interconnection agreements and all entities from which US LEC purchases interconnection elements via tariff and indicate the applicable state(s). If any of these entities are rural exchange carriers as defined in 47 U.S.C. § 153, please provide those entities as such.

**ANSWER:** The current interconnection agreements and their locations by state are as follows:

BellSouth – AL, FL, GA, KY, LA, MS, NC, SC, TN.

Verizon – DE, DC, FL, MD, NC, NJ, PA, SC, VA(2).

Sprint – FL, NC, TN, VA

ALLTEL – NC

Concord Telephone Company – NC

Citizens Communications – TN

Citizens of the Volunteer State – TN

Vista-United - FL -- Rural exchange carrier

13. Please state by market or service area the number of Unbundled Network Element ("UNE") Loops US LEC is using to connect with its current customers, the number of UNE Loops at the DS-O level, the number of UNE Loops at the DS-1 level, and the number of UNE Loops serving residential customers.

**ANSWER:** There are none.

14. Please provide US LEC access line information for the past three years according to the breakdown below for (1) the state of Tennessee and (2) the total company.

**ANSWER:** This answer is proprietary information and is included under separate cover.

15. For each exchange served by TDS TELECOM, please provide the specific point(s) at which interconnection is requested, timeframes (month/year), interface and protocol standards required and quantities (demand forecast) of facilities to be interconnected.

**ANSWER:** US LEC will initially interconnect with TDS via the BellSouth Access Tandem serving the TDS end office utilizing indirect interconnection. US LEC expects that orders for service will be placed with TDS within 30 days of the execution of an Agreement. Individual customers will generally be connected with a single T-1 facility utilizing the TDS interstate access tariff. No forecast of demand has been developed at this time.

16. For each exchange served by TDS TELECOM in Tennessee, please provide the timeframes (month/year) and quantities (demand forecast) of local/intrLATA and interLATA trunks anticipated during the first two years of an interconnection agreement between US LEC and TDS TELECOM. For each trunk type include forecasts and anticipated busy hour usage.

**ANSWER:** No US LEC forecast has been developed at this time. A trunking forecast should be available for exchange at the time of Agreement execution.

17. For each exchange served by TDS TELECOM in Tennessee, please identify each specific unbundled network element requested by US LEC including timeframes (month/year) and quantities (with a demand forecast).

**ANSWER:** US LEC's business plan utilizes only Local Number Portability (LNP) and direct interconnection trunking as described above. No US LEC forecast has been developed at this time and until the quantity of traffic exchanged indicates a need for direct interconnection as specified in the proposed agreement, no direct trunking will be requested.

18. Please state whether US LEC intends to request access to any of TDS TELECOM's operations support systems functions. If the answer is yes, please identify which function(s), timeframes (month/year), location and method of access that is requested.

**ANSWER:** US LEC normally utilizes reasonably accessible OSS functions offered by many of the companies with which it interconnects. At this time, no specific requests for interactivity with TDS's currently available OSS functions have been identified.

19. Please state the specific retail services of TDS TELECOM that US LEC intends to purchase at wholesale rates, provide a volume estimate, and state whether US LEC intends to request from TDS TELECOM unbranding or rebranding of any such services.

**ANSWER:** None.

20. For each exchange served by TDS TELECOM in Tennessee, please provide the following information:

- a. The specific points, timeframes (month/year) and quantities (with a demand forecast) at which physical, virtual, and meet-point collocation is requested;
- b. For each premise in which physical collocation is requested, please provide a list of equipment to be collocated, the amount of space requested, any additions or modifications to such space required, interoffice transmission facilities required, and power requirements.

**ANSWER:** 20. a. None; b. Not applicable.

21. Please state whether US LEC is requesting that TDS TELECOM provide permanent local number portability. If the answer is yes, please identify each TDS TELECOM switch for which permanent local number portability is requested and the requested timeframes (month/year).

**ANSWER:** US LEC is requesting permanent Local Number Portability (LNP). The exchanges US LEC expects to make LNP in year 2002 are: Concord, Mt. Juliet, LaVergne, Halls Cross Roads and would expect those localities to be Interim Number Portable within 30 days of the execution of an agreement and fully number portable within the time frames required by the Telecommunications Act of 1996 and the F.C.C.

22. Please state what percentage of traffic currently terminated on US LEC's network is ISP traffic. If actual data is unavailable, please provide an estimate and indicate the underlying assumptions and rationale.

**ANSWER:** This question is not relevant to any issue in this proceeding nor is the answer likely to lead to the discovery of any relevant evidence. Without waiving that objection, US LEC notes that the issue of reciprocal compensation for ISP traffic is currently under the jurisdiction of the FCC and the parties agreement will presumably be consistent with the FCC's guidelines.

23. Please state whether US LEC has similar network configurations to those used by US LEC/MetaComm in North Carolina, either in place or planned, in Tennessee or in other states, and to what extent US LEC's business plan in connection with its interconnection request with TDS TELECOM includes revenues derived from reciprocal compensation network configurations that are similar to those provided by US LEC/MetaComm in North Carolina.

**ANSWER:** This question is not relevant to any issue in this proceeding nor is the answer likely to lead to the discovery of any relevant evidence. Without waiving that objection, US LEC notes that there are no such configurations currently in place and none planned either in Tennessee or elsewhere.

24. Please provide US LEC's interstate and intrastate access rates that are currently in effect.

**ANSWER:** US LEC's Interstate Access Rate is \$0.025 per minute of use. The Intrastate Access Rates are \$0.039674 (originating) and \$0.061584 (terminating).

25. Please state how US LEC proposed to exchange information with TDS TELECOM for establishing, changing, or terminating service and US LEC's expected timeframes for doing so.

**ANSWER:** US LEC uses industry standard formats developed by the Ordering and Billing Forum (OBF), a committee of ATIS, and utilized by most telecommunications carriers in exchanging ordering and billing data. 1) The interstate and intrastate access ordering will utilize the Access Service Request (ASR). US LEC expects adherence to the intervals utilized by the dominant carrier within the LATA (i.e. BellSouth intervals for both provisioning and maintenance) unless the companies otherwise agree to shorter intervals. 2) The provision for transfer of customer lines between companies and LNP issues will utilize requests for Customer Service Records (CSR) and the Local Service Request (LSR). US LEC expects adherence to the intervals utilized by the dominant carrier within the LATA for LNP and the transfer of customers between companies unless the companies otherwise agree to shorter intervals.

26. Please state how US LEC proposes to exchange traffic and billing information or records with TDS TELECOM.

**ANSWER:** US LEC currently exchanges electronic traffic and billing information with other companies via (1) Transfer through BellSouth's Revenue Accounting Office (RAO), (2) Direct transfer with some companies utilizing various Electronic Data Interface (EDI) methods, (3) Mailed/couriered (tapes, cartridges, Compact Discs). Inter-company billing continues to be created and received in paper media.

27. Per the September 30, 2001, 10-Q, US LEC states that expansion of its existing network may require additional financing. US LEC also states in the same report that there are no additional amounts available under the credit facility of US LEC. Please state whether US LEC has obtained additional credit or a line of credit not disclosed in the September 30, 2001 10-Q. If the answer is yes, please state the amount, interest rates, and whether the rates is fixed or variable with respect to the additional credit.

**ANSWER:** See response to Data Request No. 9.

28. US LEC's consolidated balance sheet comparing December 31, 2000 to September 30, 2001, reflects an increase in "Other Equity" of \$200 million and a similar decrease in "Other Liabilities." Please describe the transactions creating these variances.

**ANSWER:** See response to Data Request No. 9.

29. Please describe how US LEC used the proceeds from the issuance of Series A Redeemable Convertible Preferred Stock in 2000, state whether Us LEC has any additional equity shares authorized but not issued, and state whether US LEC is restricted by an loan covenants that would prevent the issuance of additional equity capital.

**ANSWER:** See response to Data Request No. 9.

30. Please identify each person providing information or assistance in answering these date requests and, for each such person, the number of each request for which assistance was provided.

**ANSWER:**

Edward Griffin, Manager ICO and Wireless Interconnect

Frank Hoffman, Sr. Manager – Interconnection

Wanda Montano, Vice President – Regulatory and Industry Affairs

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: \_\_\_\_\_

  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, to the following on this the 19<sup>th</sup> day of April, 2002.

Dale R. Grimes, Esq.  
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Henry Walker